

# The Boston Globe

## A new strategy on shelter

*Baker should continue Patrick's initiative to end homelessness*

**By Renée Loth** GLOBE COLUMNIST DECEMBER 12, 2014

HERE'S A chance for Governor-elect Charlie Baker to mitigate the state's opiate addiction crisis, save the Commonwealth money, apply market principles to solving a social problem, and support a proven strategy to end homelessness. It's a win-win-win-win! So even though the \$3.5 million "social impact bond" initiative launched on Monday is one of Governor Patrick's last official acts, let's hope Baker carries it forward.

The program — more than two years in the making — will provide permanent housing and support services for 800 of the most intractably homeless adults, more than half the state's chronically homeless population. These are the really tough cases: people whose turbulent lives include drug or alcohol addiction, mental illness, poor educations, and, sometimes, criminal records. The program gets them into a subsidized apartment and provides case management, job training, and other services.

What's new is that the initiative is funded not through direct taxpayer dollars but through private funders who assume the risk if the program doesn't produce results. The investment comes from some of the usual suspects — the United Way and a national housing nonprofit organization — but also from Santander Bank, which is betting \$1.25 million on the proposition that getting a person out of a shelter and into a stable home will not just prevent a return to the streets, but save millions in emergency room visits, Medicaid costs, and police activity.

Mike Joyce is one beneficiary of this approach. Originally from Charlestown, he landed in Framingham about three years ago, broke, addicted, and sleeping in his car. Now under treatment, he spoke at the announcement for the new initiative, describing needs that are heartbreakingly simple but out of reach for so many: "a stable place to live and shower and shave and keep my clothes clean."

The event was held at Framingham's South Middlesex Opportunity Council, a pioneer in the concept of "housing first," which tries to skirt the shelter system by

getting homeless people into apartments right away — without necessarily requiring sobriety or job prospects. Council director Jim Cuddy started working on the issue in 1985, back when the homeless were mostly taken in by armories and soup kitchens. “Many of us involved in this work never saw 30 years later we would still be here,” he said. Shelters can become semi-permanent homes by default. It’s time for a new model.

The social-impact bonds are sometimes referred to as “pay for success,” an attractive idea the state has already used to reduce recidivism among juvenile offenders through the Chelsea youth violence program Roca. In this case, the goal is to keep the chronically homeless in secure housing for at least a year. If the South Middlesex Opportunity Council and the other providers in the program reach that goal — and only if — the state will reimburse the investors with a small return.

Of course, social impact bonds need to be more about the social impact than the bonds. The number of homeless is soaring in Massachusetts, according to a survey released in October by the federal department of Housing and Urban Development. Because Massachusetts has a “right to shelter” law, fewer than four percent of the roughly 21,000 people without permanent homes are on the street. Still, anyone who has visited a crowded, often chaotic emergency shelter knows it’s not a real solution. The idea is not to manage homelessness, but to end it.

Under Governor Patrick, Massachusetts was the first state to enter into pay-for-success contracts to fund human services. At Monday’s event, his words rose while frigid winds blew outside. “This is about how we — all of us — share responsibility for a problem that is about all of us,” he said, leaving his prepared remarks. “This is about ending the notion that the homeless are somebody else’s problem, somebody else’s relative. And it’s not just about getting someone like Mike out of the cold on a terrible day like this, but about helping them get back up and stay on their feet.” Someone in the crowded hall shouted “God bless!” at that.

Baker may not come naturally to this kind of heart-tugging oration, but he doesn’t have to. He just has to embrace the radical logic that saving lives can save money.